

# Department of Water Resources

Analyst: Houston

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2008 Total App</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Approp</b>	<b>FY 2010 Request</b>	<b>FY 2010 Gov Rec</b>
<b>BY PROGRAM</b>					
Management & Support Services	2,312,100	2,234,300	4,842,700	2,475,300	2,249,100
Planning and Technical Services	6,823,700	4,834,300	7,159,500	10,909,900	9,603,900
Energy Resources	4,691,900	2,106,300	0	0	0
Snake River Basin Adjudication	2,159,200	2,159,200	0	0	0
Water Management	9,493,100	7,749,200	11,207,900	11,830,900	10,457,900
Northern Idaho Adjudication	1,355,500	1,061,500	1,389,400	1,422,700	427,100
<b>Total:</b>	<b>26,835,500</b>	<b>20,144,800</b>	<b>24,599,500</b>	<b>26,638,800</b>	<b>22,738,000</b>
<b>BY FUND CATEGORY</b>					
General	15,124,800	14,810,900	14,587,500	16,631,600	12,851,700
Dedicated	7,904,700	3,187,900	7,049,900	7,021,200	6,926,900
Federal	3,806,000	2,146,000	2,962,100	2,986,000	2,959,400
<b>Total:</b>	<b>26,835,500</b>	<b>20,144,800</b>	<b>24,599,500</b>	<b>26,638,800</b>	<b>22,738,000</b>
Percent Change:		(24.9%)	22.1%	8.3%	(7.6%)
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	12,497,400	12,403,400	12,758,300	13,326,300	11,405,700
Operating Expenditures	11,079,000	6,338,200	10,694,300	12,175,900	10,460,600
Capital Outlay	301,800	431,900	235,100	206,600	0
Trustee/Benefit	911,800	971,300	911,800	930,000	871,700
Lump Sum	2,045,500	0	0	0	0
<b>Total:</b>	<b>26,835,500</b>	<b>20,144,800</b>	<b>24,599,500</b>	<b>26,638,800</b>	<b>22,738,000</b>
Full-Time Positions (FTP)	189.00	189.00	171.00	171.00	156.00

## Department Description

The Office of the State Engineer was created in 1895 to administer provisions of the Carey Act. Over the years, additional laws expanded the agency's duties, particularly with the increasing value, development, and use of Idaho's limited water resources. As the agency saw its responsibilities grow, it also saw its name change several times. The agency became the Department of Reclamation in 1919; the State Reclamation Engineer in 1943; and the Department of Water Administration in 1970. Meanwhile, through amendment of the state constitution in 1964, the Water Resource Board was created to prepare the state water plan for optimum development of water resources in the public interest. The current name was the result of combining the Department of Water Administration with the Idaho Water Resource Board in 1974. The primary authority for the Department of Water Resources and its programs rests in Title 42, Idaho Code.

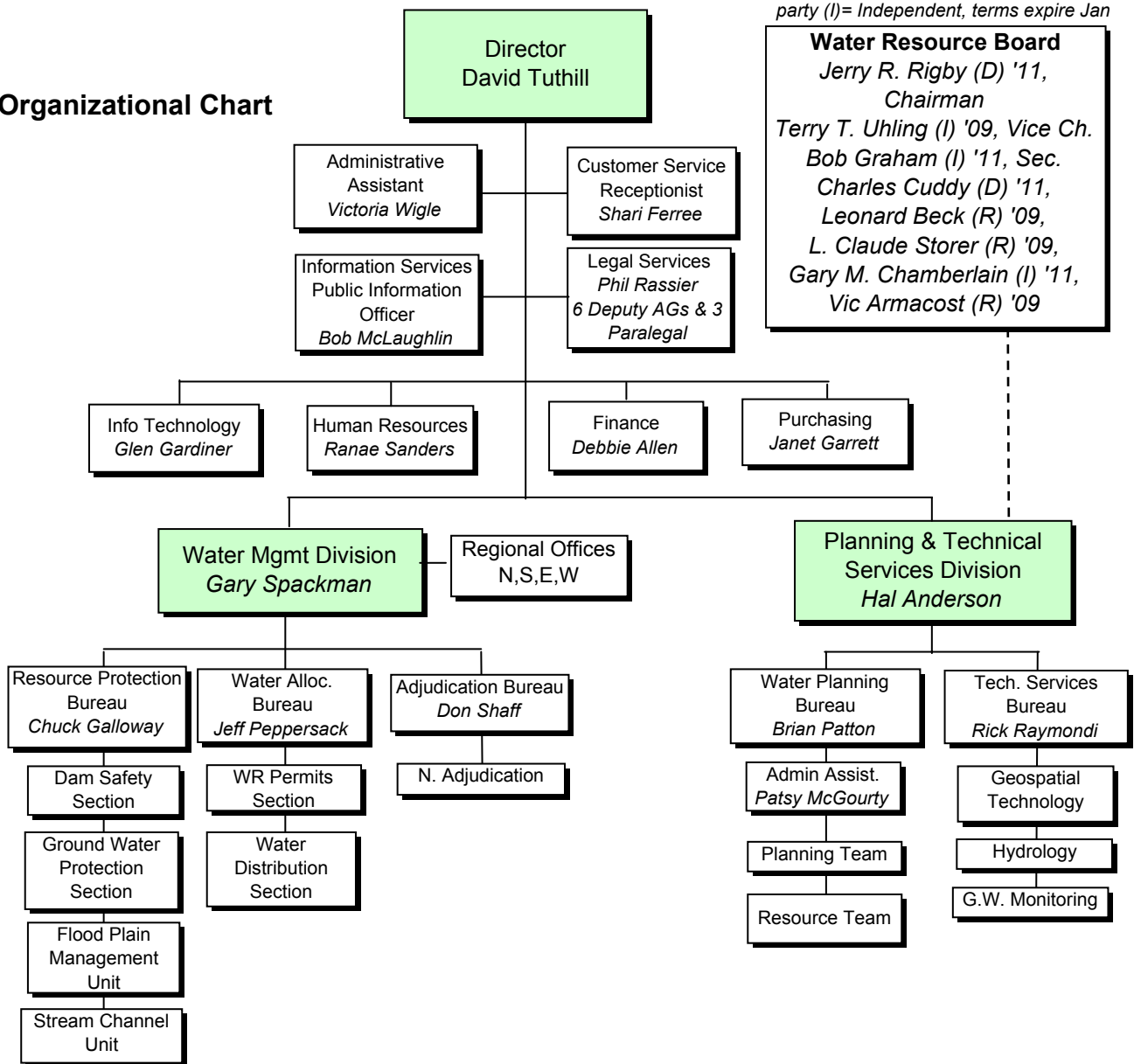
The department is divided into six major programs for budgeting purposes. 1) The Management and Support Services program provides administrative, legal and information system support for the department. 2) The Planning and Technical Services Division provides staff support for the Water Resources Board and provides planning, technical analysis and groundwater monitoring. 3) The Energy Division provides financial assistance and technical assistance on energy conservation and alternative energy development issues. In 2008 for FY 2009, it became a standalone agency in the Governor's Office. 4) The Snake River Basin Adjudication program is responsible for completing a fair and accurate determination of the nature, extent and priority of Snake River Basin water rights. Remaining responsibilities in this program were rolled into Water Management in the 2008 Legislative session. 5) The Water Management Division provides water resource protection through inspection and regulatory programs, and provides water allocation services through permits and water distribution programs. And 6) the Northern Idaho Adjudication program is responsible for completing a fair and accurate determination of the nature, extent, and priority of the water rights north of the Snake River Basin.

# Department of Water Resources

## Agency Profile

Analyst: Houston

### Organizational Chart



Full-time Equivalent Positions (FTP)				
Program	FY 2008	FY 2009	Base	FY 2010
1. Management & Support	20.00	20.00	20.00	20.00
2. Planning and Technical Services	36.00	39.00	39.00	39.00
3. Energy Resources	18.00	0.00	0.00	0.00
4. Snake River Basin Adjudication	15.00	0.00	0.00	0.00
5. Water Management	89.00	101.00	94.00	101.00
6. Northern Idaho Adjudication	11.00	11.00	11.00	11.00
<b>Total Full-Time Equivalent Positions</b>	<b>189.00</b>	<b>171.00</b>	<b>164.00</b>	<b>171.00</b>
Change		(18.00)	(7.00)	7.00

Excludes group positions. Also, Attorneys are paid through operating expenditures.

# Department of Water Resources

## Agency Profile

Analyst: Houston

Sources of Funds	FY 2008 Expenditures	Percent of Total	FY 2009 Appropriation	FY 2010 Request
1. General Fund (0001) The General Fund sources are the individual income tax, corporate income tax, sales tax, and other miscellaneous sources.	\$ 14,810,900	73.5%	\$ 14,587,500	\$ 16,631,600
2. Indirect Cost Recovery Fund (0125) Overhead charge for costs to administer federal programs.	626,200	3.1%	606,000	626,600
3. Aquifer Planning and Management Fund (0129) General Fund transfers to be used for statewide aquifer planning and management.	0	0.0%	2,760,000	2,769,800
4. Water Administration Fund (0229-21) Fees collected for well drillers' licenses and permits, water right claim fees, permits to appropriate water, permits to appropriate geothermal resources, reviewing safety of dams, water bank receipts, processing of injection well applications, and penalties.	874,200	4.3%	2,234,700	2,271,800
5. Water Resources Adjudication Fund (0337) Established in 1985 as a result of the Swan Falls agreement concerning the usage of water from the Snake River Basin. Receipts are deposited from filing fees as scheduled in law and are used to pay the costs attributable to adjudication. The Northern Idaho adjudication was added as a fund-detail in 2006.	0	0.0%	121,000	0
6. Miscellaneous Revenue Fund (0349) Revenues include fees collected from water district 01, fees collected for maintenance of Priest Lake Dam, and miscellaneous revenues from interstate and intrastate agencies and utilities.	1,047,700	5.2%	1,328,200	1,353,000
7. Biofuel Infrastructure Matching Grant (0403-04) Transfer from the General Fund (H316 of 2007) to provide matching grants to private entities that provide fuel tanks and pumps for alternative fuels.	77,900	0.4%	0	0
8. Petroleum Price Violation Fund (0494) In the early 1970s, the Organization of Petroleum Exporting Countries (OPEC) embargoed crude oil exports to the United States. In response, the federal government regulated oil prices to prevent price gouging by domestic crude oil producers and to ensure fair allocation of oil resources. The federal Department of Energy was responsible for identifying violations, recovering overcharges, and obtaining restitution for wronged parties. Through the 1980s, several overcharge cases against domestic oil producers were settled in court. Petroleum Price Violation funds are part of a nationwide redistribution to the states from the U.S. Department of Energy due to those settlements. Expenditure of the funds is required to benefit energy consumers. The Division of Energy Resources is the responsible for certifying that proposed projects meet these standards for allowable uses of violation funds. The courts also specified that interest earned on these funds must be used for the same purposes.	561,900	2.8%	0	0
9. Federal Grant Fund (0348) Funds received from grants and agreements with federal agencies including the Federal Emergency Management Agency (FEMA), United States Department of Energy (DOE), and National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service.	2,146,000	10.7%	2,962,100	2,986,000
<b>Total All Appropriated Funds</b>	<b>\$ 20,144,800</b>	<b>100.0%</b>	<b>\$ 24,599,500</b>	<b>\$ 26,638,800</b>

The department also has three continuously appropriated funds: 1) the Revolving Development Fund is used to make loans for projects approved by the Water Board; 2) the Water Management Fund is used to make loans or grants for new water projects or the rehabilitation of existing water projects limited to reclamation, upstream storage, offstream storage, aquifer recharge, reservoir site acquisition and protection, water supply, water quality, recreation, and water resource studies, including feasibility studies for qualifying projects; and 3) the Water Rights Enforcement Fund receives civil penalties collected by the department for illegal diversions and is used to carry out the water enforcement program.

# Department of Water Resources

Analyst: Houston

## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2009 Original Appropriation</b>	<b>171.00</b>	<b>14,587,500</b>	<b>24,599,500</b>	<b>171.00</b>	<b>14,587,500</b>	<b>24,599,500</b>
Omnibus Rescission	0.00	0	0	(4.00)	(539,300)	(539,300)
Health Insurance Reduction	0.00	0	0	0.00	(100,500)	(119,300)
<b>FY 2009 Total Appropriation</b>	<b>171.00</b>	<b>14,587,500</b>	<b>24,599,500</b>	<b>167.00</b>	<b>13,947,700</b>	<b>23,940,900</b>
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
<b>FY 2009 Estimated Expenditures</b>	<b>171.00</b>	<b>14,587,500</b>	<b>24,599,500</b>	<b>167.00</b>	<b>13,947,700</b>	<b>23,940,900</b>
Removal of One-Time Expenditures	(7.00)	(1,102,700)	(1,223,700)	(7.00)	(1,102,700)	(1,223,700)
Additional Base Adjustment	0.00	0	0	(4.00)	(535,400)	(535,400)
<b>FY 2010 Base</b>	<b>164.00</b>	<b>13,484,800</b>	<b>23,375,800</b>	<b>156.00</b>	<b>12,309,600</b>	<b>22,181,800</b>
Benefit Costs	0.00	166,800	195,700	0.00	66,300	76,400
Inflationary Adjustments	0.00	78,300	78,300	0.00	28,400	28,400
Replacement Items	0.00	206,600	206,600	0.00	0	0
Statewide Cost Allocation	0.00	447,400	451,400	0.00	447,400	451,400
Change in Employee Compensation	0.00	239,100	322,400	0.00	0	0
<b>FY 2010 Program Maintenance</b>	<b>164.00</b>	<b>14,623,000</b>	<b>24,630,200</b>	<b>156.00</b>	<b>12,851,700</b>	<b>22,738,000</b>
1. Retain Positions	7.00	1,008,600	1,008,600	0.00	0	0
2. Adjust Water Board Accounting	0.00	0	0	0.00	0	0
3. Galloway Dam Feasibility Study	0.00	1,000,000	1,000,000	0.00	0	0
4. Eastern Snake CAMP Placeholder	0.00	0	0	0.00	0	0
<b>FY 2010 Total</b>	<b>171.00</b>	<b>16,631,600</b>	<b>26,638,800</b>	<b>156.00</b>	<b>12,851,700</b>	<b>22,738,000</b>
Change from Original Appropriation	0.00	2,044,100	2,039,300	(15.00)	(1,735,800)	(1,861,500)
% Change from Original Appropriation		14.0%	8.3%		(11.9%)	(7.6%)

# Department of Water Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2009 Original Appropriation</b>	171.00	14,587,500	7,049,900	2,962,100	24,599,500

## Omnibus Rescission

Agency Request 0.00 0 0 0 0

*General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009.*

Governor's Recommendation (4.00) (539,300) 0 0 (539,300)

## Health Insurance Reduction

Agency Request 0.00 0 0 0 0

*The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.*

Governor's Recommendation 0.00 (100,500) (14,200) (4,600) (119,300)

<b>FY 2009 Total Appropriation</b>					
Agency Request	171.00	14,587,500	7,049,900	2,962,100	24,599,500
Governor's Recommendation	167.00	13,947,700	7,035,700	2,957,500	23,940,900

## Noncognizable Funds and Transfers

Shifts pieces and parts of 1.55 FTPs to the General Fund from the Indirect Cost Recovery Fund, Water Administration Fund, Miscellaneous Revenue Fund, and federal funds to better align positions with available funding.

Agency Request 0.00 0 0 0 0

Governor's Recommendation 0.00 0 0 0 0

<b>FY 2009 Estimated Expenditures</b>					
Agency Request	171.00	14,587,500	7,049,900	2,962,100	24,599,500
Governor's Recommendation	167.00	13,947,700	7,035,700	2,957,500	23,940,900

## Removal of One-Time Expenditures

Remove \$114,100 provided for replacement items and \$1,109,600 provided one-time for seven positions transferred from the Snake River Basin Adjudication program to the Water Management program. Of the total, \$121,000 was the remaining balance from the Snake River Basin Adjudication Fund.

Agency Request (7.00) (1,102,700) (121,000) 0 (1,223,700)

Governor's Recommendation (7.00) (1,102,700) (121,000) 0 (1,223,700)

## Additional Base Adjustment

Agency Request 0.00 0 0 0 0

*The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 4% reduction for the agency/division bringing the FY 2010 Base 8.7% below the ongoing FY 2009 General Fund Original Appropriation.*

Governor's Recommendation (4.00) (535,400) 0 0 (535,400)

<b>FY 2010 Base</b>					
Agency Request	164.00	13,484,800	6,928,900	2,962,100	23,375,800
Governor's Recommendation	156.00	12,309,600	6,914,700	2,957,500	22,181,800

## Benefit Costs

Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.

Agency Request 0.00 166,800 22,400 6,500 195,700

*The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.*

Governor's Recommendation 0.00 66,300 8,200 1,900 76,400

# Department of Water Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Inflationary Adjustments</b>					
Inflationary increases are calculated using the ongoing base for operating expenditures and trustee & benefit payments multiplied by an agency-specific inflation factor. The adjustment for general inflation reflects a 1.1% increase in the General Fund base operating and trustee & benefit payments. The request also includes \$28,400 for contracted rent inflation at the Water Center and area offices.					
Agency Request	0.00	78,300	0	0	78,300
<i>The Governor recommends funding for rent increases.</i>					
Governor's Recommendation	0.00	28,400	0	0	28,400
<b>Replacement Items</b>					
Replacement items include \$53,800 for computer equipment and \$152,800 to replace six vehicles.					
Agency Request	0.00	206,600	0	0	206,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>Statewide Cost Allocation</b>					
The request includes adjustments to recover the costs of services provided to state agencies: \$424,600 for Attorney General fees; \$5,500 for property and casualty insurance premiums; \$19,600 for State Controller fees; and \$1,700 for State Treasurer fees.					
Agency Request	0.00	447,400	4,000	0	451,400
Governor's Recommendation	0.00	447,400	4,000	0	451,400
<b>Change in Employee Compensation</b>					
Agencies were instructed to calculate a 3% salary increase in the appropriation request. Of the total, \$293,300 or 91% is for permanent employees and \$29,100 or 9% is for group positions.					
Agency Request	0.00	239,100	65,900	17,400	322,400
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2010 Program Maintenance</b>					
Agency Request	164.00	14,623,000	7,021,200	2,986,000	24,630,200
Governor's Recommendation	156.00	12,851,700	6,926,900	2,959,400	22,738,000
<b>1. Retain Positions</b>			<b>Water Management</b>		
Last session, ten permanent positions and operating expenditures were eliminated as the Snake River Adjudication Program transitioned to Water Management. Seven of those positions were replaced with one-year funding. This decision unit requests reinstatement of ongoing funding for these seven positions and associated operating expenditures. Although the SRBA recommendations are complete, SRBA staff continues to address 3,500 objections that must be resolved. In addition, about 24,000 water rights decreed by the SRBA Court must now be verified. Finally, ongoing changes in ownership for SRBA records must be reviewed and recorded. The backlog includes about 474 applications for water right transfers, 3,003 permits that need to be licensed, and 1,425 water right ownership changes. Estimated costs include \$84,000 for one water rights supervisor, \$345,300 for five water resource agents, and \$84,000 for one staff engineer totaling \$513,300 in personnel costs. Operating expenditures include \$85,400 for travel and costs associated with the seven positions and the remaining \$409,900 are funds needed to pay the salaries of deputy attorneys general working for the department and paid through the statewide cost allocation plan based on actual usage. [Ongoing]					
Agency Request	7.00	1,008,600	0	0	1,008,600
<i>The Governor recommends moving monies from personnel costs to operating expenditures to support the Water Management program then shifts four positions to one-time to afford the agency the opportunity to revisit zero-base budgeting to identify alternative funding for the positions. The Governor recommends \$409,000 ongoing funding for operating expenditures associated with attorney general fees. The Governor recognizes the importance of addressing the backlog of water transfer applications and encourages the department to actively pursue permit process improvements to reduce permitting time frames and limit staffing needs.</i>					
Governor's Recommendation	0.00	0	0	0	0



# Department of Water Resources

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>2. Adjust Water Board Accounting</b>	<b>Mgmt &amp; Support Services, Planning &amp; Technical Services</b>				
Transfer funds for Water Board activities from Management and Support Services to Planning and Technical Services. Move General Funds of \$10,000 in personnel costs and \$38,500 in operating expenditures budgeted for Water Board compensation and meetings. Move \$2,485,100 in Aquifer Planning and Management Fund operating expenditures appropriated for contracting activities. Transfer \$29,900 from operating expenditures to personnel costs to better compensate three positions approved last year for Aquifer Planning and Management. The funding, including benefits, was \$63,200 for a technical hydrologist, \$71,200 for a water resource engineer, and \$63,200 for a senior planner. This will bring the personnel cost funding up by 15% from \$197,600 to \$227,500. [Ongoing]					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>3. Galloway Dam Feasibility Study</b>	<b>Planning and Technical Services</b>				
Idaho has experienced record setting droughts and significant population growth in the last 20 years. Also, new demands, such as flow augmentation for salmon, have added additional stresses to existing reservoir uses. The Weiser Basin in southwest Idaho does not have a major reservoir. A 1993 study indicated benefits of reliability of irrigation supplies, generation of hydroelectric power, enhanced recreational and fishery opportunities, and flood control. This request is for funding to contract consultants to update the feasibility of building a dam and reservoir on the Weiser River. [One-time]					
Agency Request	0.00	1,000,000	0	0	1,000,000
<i>Not recommended by the Governor. The Governor encourages the agency to work with other stakeholders to pursue private funding for this study.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>4. Eastern Snake CAMP Placeholder</b>	<b>Planning and Technical Services</b>				
A framework plan for the development of the Eastern Snake Comprehensive Aquifer Management Plan (CAMP) was approved by the Legislature in 2007 via HCR 28. The Water Board hired a professional facilitator to assist the broad-based advisory committee in the development of a plan. The schedule calls for the completion of the plan by October 2008, followed by a public review, finalization by the Water Board, and submittal to the Legislature in January 2009. This decision unit acts as a placeholder, for a yet-to-be-determined amount of operating contract money, should the final plan be adopted by the 2009 Idaho Legislature.					
Agency Request	0.00	0	0	0	0
<i>Providing stability to Idaho's aquifers continues to be a high priority for the Governor, and he applauds the efforts and work product of the ESPA Comprehensive Aquifer Management Plan Work group. The Governor recommends utilizing funds previously appropriated to the Water Resource Board to fund \$3 million per year for three years. It is the Governor's belief that ongoing funding should be revisited after three years when economic conditions improve and tangible results from the projects can be demonstrated and evaluated.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2010 Total</b>					
Agency Request	171.00	16,631,600	7,021,200	2,986,000	26,638,800
Governor's Recommendation	156.00	12,851,700	6,926,900	2,959,400	22,738,000
Agency Request					
Change from Original App	0.00	2,044,100	(28,700)	23,900	2,039,300
% Change from Original App	0.0%	14.0%	(0.4%)	0.8%	8.3%
Governor's Recommendation					
Change from Original App	(15.00)	(1,735,800)	(123,000)	(2,700)	(1,861,500)
% Change from Original App	(8.8%)	(11.9%)	(1.7%)	(0.1%)	(7.6%)